



OCA Weekly Update – March 7, 2008

****This update being resent for Friday March 7th due to computer problems. Apologies to those recipients who may have received it twice****

Missed an Update? Looking for Something You Read in a Past Issue?

Visit <http://www.cattle.guelph.on.ca/weekly-updates/weekly-update.asp> to download archived OCA Weekly Updates as PDF files. They are posted by 5pm on the day of issue.

In Brief:

More Time to Apply for \$600 Million Agri Invest Kickstart Funds

OTTAWA, Ontario, March 5, 2008 – The Government of Canada is committed to ensuring all farmers are aware of the \$600 million AgriInvest Kickstart program and have enough time to apply. The Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board announced today that the deadline for applications has been extended to April 14, 2008.

“This Government is delivering new, simpler, predictable and bankable programs for farmers.” said Minister Ritz. “This extension will ensure farmers have enough time to learn about AgriInvest and the money available to kickstart their accounts.”

To assist producers in the transition to the new suite of business risk management programs, the Government of Canada is providing a one time contribution of \$600 million to kickstart AgriInvest accounts.

The majority of producers do not need to apply to the program and have already received a letter explaining their AgriInvest Kickstart benefit. Producers who have not received a letter need to apply by the April 14 deadline.

In Quebec, the program is delivered by La Financière agricole du Québec. For more information, producers can contact La Financière agricole at 1-800-749-3646 or visit the Web site at www.fadq.qc.ca.

For more information or to obtain program forms, producers can call, toll free, 1-866-367-8506 from 7:00 a.m. to 6:00 p.m. CST, Monday to Friday, or visit the program Web site at www.agr.gc.ca/agriinvest.

Amendments to the Advance Payment Program under the AMPA

Regulatory changes have recently been made to the Advance Payments Program under the Agricultural Marketing Products Act (AMPA).

The eligibility to access funds was based on CAIS Reference Margins. That linkage has now been removed, and the livestock itself will be the security. Several details are still unknown, as the legislation was introduced, passed and received Royal Assent, all within five days! Although the linkage to CAIS has been removed, participating producers must be enrolled in CAIS.

Another important piece of the legislation allows for “Emergency Advances” for sectors which are determined to be in “severe economic hardship”. Both CCA and the Canadian Pork Council have been successful in making this case with the federal government, and cattle and hog producers have access to this funding. The main difference between the regular Advance Payment Program and Emergency Advances is that for the latter, inventory does not have to be in place prior

to accessing the funds. For Emergency Advances, the federal government will take secondary security to the banks.

The Feeder Cattle Co-op Program in Ontario will continue to offer the interest-free provision of the AMPA. ACC Farmers Financial in Guelph will continue to offer the full Advance Payment Program as well as the new Emergency Advance.

Application forms for the regular Advance Payment Program and Emergency Advance program are now being finalized by ACC Farmers' Financial (ACC) and should be available by the week of March 24th. The application forms will be mailed automatically to producers who have already received advances in 2007-08 from ACC and are available for new applicants by calling ACC at 1-888-278-8807.

Provincial Funding Announcement: December 14, 2007

Specific information for producers on the new Ontario Cattle, Hog and Horticulture Payment is available by calling Agricorp at 1-877-838-5144.

A PDF is also posted on the OCA Web Site at

<http://www.cattle.guelph.on.ca/PDFs/2008/InfoSheet-Dec.14Announcement.pdf>

Changes to Regulation 54 of the Beef Cattle Marketing Act Came into Effect on January 1, 2008

Please note that due to GST reduction from 6% to 5% on January 1, 2008 and changes to regulations of the Beef Cattle Marketing Act (check-off increased to \$3.00/head on January 1, 2008), OCA has developed revised check-off forms which will be applicable to all transactions made on or after January 1, 2008.

- OCA Check-off Deduction Remittance Report for Individuals
- OCA Check-off Deduction Remittance Report for Licensed Dealers
- Form 102 Seven Business Day Dealer Exemption Statement

The new check-off forms, as well as more detailed information, are now available at <http://www.cattle.guelph.on.ca/Checkoff2008/index.asp>, as PDF files.

BIO's Annual General Meeting

BIO's Annual General Meeting was held in Toronto this year, in conjunction with the OCA's Annual Meeting. Members participated in the adoption of the new set of By-Laws and heard how BIO is positioning itself to be a successful business.

BIO's President Ron Bonnett, chaired the meeting while guiding the membership through the changes BIO has witnessed over the last year. Mr. Bonnett introduced BIO's new General Manager Mike McMorris, who outlined BIO's determination to create value-added products and services, and to renew industry alliances. Following the annual meeting, the board met and elected officers for the coming year. Ron Bonnett is President, Mike Buis is Vice President and Stewart Cressman is Secretary Treasurer. Also on the board are Mike Earley, Dave Milliner, Bob Gordanier, Gib Drury, Steve Miller and Mike von Massow.

BIO has changed a great deal in the past year. The board is committed to making a Fresh Start, one focused on customer service and products that add value for beef producers. Our customers are those beef producers that wish to make informed decisions to enhance their competitive position. Our products and service must meet customer needs, and the organization must be run in a business-like manner. We will work closely with industry partners and expand markets to ensure that customers get maximum benefit for their investment.

Key actions taken over the past months are summarized below. Although many steps have been taken, we will continue to work toward increased viability, restored credibility and growth of services.

Financial Viability

BIO has enhanced financial viability through:

- Reduced staff
- Relocated to smaller space to reduce rent cost
- Sold share of office building to enhance cash flow
- Increased profitability of the lab

Marketing and adding value for customers

BIO is marketing value by:

- Focusing on commercial and seedstock producers desiring across breed comparisons.
- Developing a new Internet based HERD-LINK offering a variety of services
- Working to link production sectors with information

Restore Credibility

BIO is focused upon enhancing its credibility by:

- Addressing member issues such as governance
- Meeting customer expectations
- Working closely with industry organizations such as OCA
- Investing strategically in future technology

Now that BIO is more stable, the new board and the new General Manager will be focused on ensuring clear direction, customer service, continuing to move BIO to financial sustainability, working with industry partners for customer benefit, and pursuing target markets for existing products.

Industry relationships/ BIO as a business

- BIO will spend some resources to ensure customer service and product quality
- BIO will reposition itself as a business, focused on beef producers
- The lab will be a key contributor to the financial viability of BIO
- We will work hard to meet customer expectations

Strategic and operational plans

- The board will ensure that both long range and operation plans are in place with clear targets for performance
- Regular reports and communication will be the norm

Marketing

- BIO will develop ambassadors (customers and industry partners) to help in promotion of products
- Data showing economic advantage from use of BIO products will be used
- We will identify and actively pursue target markets
- BIO will strategically expand its customer base beyond Ontario to ensure costs for its services are affordable to customers

Profitability

- BIO will examine all products and services with a goal of profitability for each
- Targets will be set for key services
- The lab will be managed to maximize profit

The board and staff value your input. Please do not hesitate to contact us with concerns, questions, comments or ideas. You can find a complete listing of Directors and staff and contact information at www.biobeef.com. If you prefer, contact us at 519 767-2665.

Tax Deferral to Benefit Farmers in Southern, Eastern and Northwest Ontario

OWEN SOUND, Ontario, March 7, 2008 – Owners of breeding livestock in certain areas of southern, eastern and northwest Ontario who were forced to sell all or part of their herd in 2007 due to drought conditions will be eligible for a one-year tax deferral on 2007 income from these sales.

The announcement was made by Mr. Guy Lauzon, Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Federal Economic Development Initiative for Northern Ontario, who made the announcement on behalf of the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board.

“This government understands the ongoing impact drought has on farmers, which is why Ontario farmers struggling with drought will continue to receive support from the Government of Canada through our tax deferral program,” said Mr. Lauzon. “Tax provisions offered by this program will allow farmers to restock their herds in the spring.”

The deferral was made after reviewing forage yield, precipitation, soil moisture and water supply data for the 2007 growing season. In the case of consecutive years of drought designation, producers may defer sales income to the first year in which the area is no longer designated.

“Over the years farmers in Ontario and across Canada have shown their continued resilience in facing bad weather challenges,” said the Honourable Jim Flaherty, Minister of Finance. “The Government of Canada continues to listen to farmers and provide the support they need to do their job.”

Thirty per cent of income from net sales can be deferred if the breeding herd has been reduced by at least 15 per cent, but less than 30 per cent. Where the herd has been reduced by 30 per cent or more, 90 per cent of income from net sales can be deferred. This will help replenish breeding stock in the coming year.

Eligible producers will be able to request this deferral when filing their 2007 income tax returns. Livestock producers are advised to contact their local Canada Revenue Agency Tax Services Office for details on the income tax provisions.

Government of Canada Invests in the Future of Agricultural Fairs and Exhibitions

CRAPAUD, PEI, March 7, 2008 – The Government of Canada is proud to continue supporting farmers by announcing funding today that will help to improve Canada’s agricultural fairs and exhibitions. The \$500,000 investment, announced by the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, will support a Canada-wide study of agricultural fairs and exhibitions.

“The Government of Canada is proud of the skill, hard work and talent of our world-class farmers, and for generations Canadian families have seen this talent showcased at annual fairs and exhibitions,” said Minister Ritz. “By investing in this study today, we are ensuring that for generations to come, these agricultural fairs and exhibitions can continue keeping Canadians well informed about the importance of the agricultural industry.”

Fairs and exhibitions showcase the work of our world-class farmers and farm communities, including high quality local foods, crafts, and livestock exhibits. The federal contribution will enable the Canadian Association of Fairs and Exhibitions (C.A.F.E.) to conduct a Canada-wide survey of 16,800 fair and exhibition attendees.

Our fair and exhibition organizers believe that agriculture is our culture and that they represent the heartbeat of Canada,” said Rudy Friesen, President of C.A.F.E. “Results from this study will help our agricultural societies and exhibition associations make the case for continued support from sponsors and communities so that they continue to thrive.”

The results of the study will help refine educational opportunities that exist at fairs and exhibitions, foster new partnerships, and generate new sponsorships.

This project is funded through Agriculture and Agri-Food Canada's national Advancing Canadian Agriculture and Agri-Food Program.

Farmers Will Continue to Lose Money in 2008; New Strategies Are Desperately Needed

(Guelph, ON – February 26, 2008) Some very positive messages about farm income accompanied a news release from Agriculture and Agri-Food Canada (AAFC) in early February: Canadian net farm income was up by 20% in 2007 - with another 16% projected to follow in 2008.

Unfortunately, a look at the actual numbers tells a much bleaker story.

In reality, net income from Canadian farm operations - market receipts less operating costs and depreciation - will be solidly negative in 2007 and 2008 - as has been the case for virtually every year over the last decade. Farmers are losing hundreds of millions of dollars each year just by farming.

However, as well as earning money from the market, farmers also get income support cheques from the provincial and federal governments. And it's clear from the AAFC statistics that these payments are the sole reason for the positive net incomes they've reported. Indeed, if all Canadian/Ontario farmers had quit farming in 1998 - eliminating cash receipts, expenses and depreciation, while still receiving all of the government cheques – they'd have gained twice as much money in the years since. Over the past ten years, Ontario farmers received about \$600 million/year on average in government cheques, and, even though they lost \$300 million from farming operations, they still had a resulting net gain of \$300 million/year. (Multiply these numbers by about 6.7 to get corresponding numbers for all of Canada.)

Averages can be misleading. Some farmers are doing well financially, especially those who have above-average skills in management, cost control, marketing, and innovating, or those with low debt loads and low interest costs. But this also means that many other farmers are doing worse than average. In total, it's not a pretty picture.

Farming was once quite profitable. When adjusted to 2002 dollars, over the 15 years from 1971 through 1986, Ontario farmers netted about \$1.1 billion per year from operations, not including the \$300 million/year they received in direct government support.

But it's been steadily down hill since then. Long-term trend lines indicate that Ontario farm income in 2002 dollars has been declining at an average rate of about \$50 million/year. This is with government payments included.

So what about the future? Well, for starters, there's little reason to expect this trend to change. Crop prices are projected to be up in 2008 - helped primarily by a growing demand for renewable fuels - but expenses will also be up dramatically and income from beef and pork sales has plunged. As long as the world's ability to grow farm produce continues to increase faster than need for food calories - particularly in developed countries - the downward pressure on farm income will intensify - especially for those growing traditional farm commodities for traditional food markets (the current enthusiasm for biofuels notwithstanding).

Some suggest that the answer lays in more government payments. But, based on long-term trends, another \$50 million per year in Ontario may be needed just to stay even. Will tax payers continue to support this expenditure when the current cost to them is already so substantial? And there is evidence that government payments actually serve to diminish profits from farm operations - by raising land costs, for example - while also reducing the economic incentives for farmers to change.

Instead of spending more millions on support programs, why not spend more of the money developing and supporting new market opportunities? We need to create new solutions for society, including meeting consumer demands for better health and nutrition, cleaner environments, and renewable substitutes for oil-based plastics.

There are good reasons to be optimistic about the future of Ontario agriculture - but only if we get off the tread mill of losing money farming traditionally for traditional markets, and offsetting the losses using increasingly large government cheques.

Workshop: Making RFID of Value to Me

Event organized by OCA and OMAFRA

This workshop will be of interest to any producer or group considering the purchase of a reader to capture RFID numbers from tags and software to use the numbers for multi-purposes within a production system.

Date and Locations:

Monday, March 31 – Boardroom, David Carson Auction Services, Listowel

Tuesday, April 1 – Ilderton Community Centre

Wednesday, April 2 – Codrington Community Centre

Thursday, April 3 – White Pine Boardroom, Midhurst

Workshop Program:

10 to 10:30 AM – Coffee / Refreshments / Registration

10:30 AM to noon – RFID background

- Capabilities and limitations of readers and software
- What questions to ask when considering a system?
- What will a system do? What records?
(shipping, health, treatments, performance, verification)

Noon to 1 PM – Lunch provided

1 PM to 2:30 PM – Demonstrations of readers and software

- Industry presentations of their products
- Farmer presentations on their experiences installing and using a system.

Register:

To ensure you get a lunch, please register by calling the Agricultural Information Contact Centre at 1-877-424-1300

For further information:

Don Blakely, Fergus OMAFRA 519-846-3396
Nancy Noecker, Kemptonville OMAFRA 613-258-8476
Dan Ferguson, OCA 705-924-3225
Ron Wooddisse, OCA 519-638-3571

Growing Your Opportunities, Traction and AgriBusiness ecampus

Growing your Opportunities:

This workshop is for Farm and rural based entrepreneurs who want to learn how to tap into new value added opportunities from idea to market.

Over The Two Days You Will:

- Learn how to identify, find and evaluate new value added ideas
- Learn how to put your ideas into action using the seven step value added development process
- Learn how to connect with the right market channels
- Learn how to find innovative ways to market your products and services
- Learn how to build a business that can support your new idea
- Learn how to create a dynamite, but simple business plan
- Learn how to finance the different stages of your new ventures
- Learn how to save time and money in the development process
- Learn how to price your products properly
- Learn how to manage your risk
- Explore case studies of how innovative rural and farm businesses that have developed their value added ideas and opportunities
- Follow a new product from conception to integration into the marketplace

Growing your Opportunities

Napanee Area

Day 1: Mon. Mar. 17

Day 2: Fri. Mar. 28

\$75 per person (includes \$3.57 GST)

Growing your Opportunities

Tillsonburg

Day 1: Wed. Mar. 19

Day 2: Wed. Mar. 26

\$75 per person (includes \$3.57 GST)

Traction

Traction: Skills to Grow is a program developed by Guelph-based Juice Inc. The program has been well received by farmers and producers within the agricultural community, who are attending with their spouses and family members to ensure they are aligned in the planning of their farm's future. Traction participants, ranging in age from their early 20s to their late 60s from various commodity groups, have consistently rated the program a 4.9 on a five-point scale. Uniquely designed in conjunction with producers, advisors and industry leaders, Traction provides a pragmatic and process-based approach to four main areas:

- Taking stock
- Innovation
- Communication
- Goal Setting
- Planning

What participants are saying:

- "Seeing the real life examples helped me to see how understanding the other person's point of view can solve problems that otherwise seemed impossible to solve."
- "This gave me a whole new way of approaching problems and relationships".
- "Problems just don't seem to be overwhelming after taking this course. Our family left with tools to help us keep unstuck and moving ahead more smoothly."
- "Being successful as a farmer requires ongoing development of not only your industry knowledge but your communication skills. This high energy program gave me new tools to take home that will keep the ideas flowing."

AgriBusiness eCampus Project
<http://agribusinessecampus-com.rkd.ca/default.aspx>
Your Home – offered by the University of Guelph, Kemptville Campus
Launch date – early February
variable

AgriBusiness eCampus Project

The AgriBusiness eCampus (ABeC) is a web-based and face-to-face learning centre offering a range of topics to assist farmers in managing their farm business in today's increasingly complex environment. The ABeC offers a "one-stop-shop" for practical, real-world business solutions through life-long learning in agribusiness management and entrepreneurship.

Our eCourses are designed by top experts in the agribusiness field with you in mind. Our focus is on developing skills that are immediately applicable to you and your farm business. Courses are self-paced and self-assessed, allowing you to fit your learning around other farm and family commitments. Courses provide you with networking opportunities through question and answer sessions and streamed discussion with industry experts and peers. Course facilitators are always just a phone call or click away to answer your questions and assist you with any course-related or technical problems.

Courses are currently being offered in: Strategic and Business Planning, Succession Planning, Domestic and Global Marketing, Commodity Marketing, and Human Resources.

OnTrace and GS1 Canada announce partnership for integrating the Ontario Premises Registry and Global Location standard

GUELPH, ON – March 4, 2008 – *OnTrace Agri-food Traceability Inc. (OnTrace)*, is pleased to announce that they have signed a memo of understanding with *GS1 Canada* to combine efforts to provide Ontario farmers access to the GS1 Global Location Number* system; a move that will strengthen the global competitive position of the province's agriculture community.

This arrangement is the first of its kind in the Canadian agricultural industry, and will see integration of some OnTrace and GS1 Canada services so that a GS1 Global Location Number (GLN) can be associated with farm business premises and parties identified and validated within the *Ontario Agri-food Premise Registry (OAPR)* operated by OnTrace.

"Both GS1 Canada and OnTrace recognize the strategic value of incorporating global standards as part of our Ontario premises identification solution," said Brian Sterling CEO, OnTrace. "I am pleased to announce our company's decision to work with GS1 Canada. We expect this will enable OnTrace to help primary producers gain access to the powerful global commerce system that GS1 Canada supports."

The GLN is a 'key' for Ontario producers to participate in standardized electronic business interactions up and down the food supply chain. OnTrace is working with GS1 Canada to provide producers with this capability as part of its overall service offering to Ontario agri-food businesses. Producers who take advantage of this opportunity will position themselves for significant competitive benefit, as this global standard helps level the playing field for Ontario farmers in the global marketplace.

Our relationship with OnTrace will align the capabilities of primary producers in Ontario with the rest of the supply chain across Canada and around the world," said Mike Sadiwnyk, Senior Vice President, Global Relations & Chief Standards Officer, GS1 Canada. "Our contribution of GLNs will promote the competitiveness of Ontario agriculture and agri-food and provide a value-added component to On Trace's premises registry for primary producers."

The agreement also recognizes OnTrace as a certified GS1 Canada 'Content Provider'* again, giving OnTrace the distinction of being the first to receive this status to act on behalf of individual agriculture and agri-food businesses. This certification guarantees that OnTrace's assignment of GLNs meets GS1 Canada criteria to ensure collaboration between GS1 Canada's Party & Location Registry* and the Ontario Agri-food Premises Registry.

GS1 Canada and OnTrace will begin the formal assignment of GLNs in the first half of 2008. This will start with pre-production testing before mid-year. Both organizations are committed to working together to help agriculture and agri-food businesses and the Government of Ontario meet their food traceability goals.

About GS1 Canada

GS1 Canada is a not-for-profit organization that promotes and maintains global standards for the identification of goods, locations and related e-commerce communication. As a member organization of GS1, the leading supply chain standards organization in the world, GS1 Canada is the only authorized source for globally unique Company Prefix Licenses in Canada, a standard term and condition of trade globally that enable organizations to create reliable, industry-compliant bar codes. GS1 Canada also provides a range of educational opportunities and business solutions, such as ECCnet Registry, Canada's national product registry, and ECCnet Image & Validation (ECCnet I&V) services, which offer one-stop access to product images and dimensional data. In addition, GS1 Canada offers standards management for collaborative commerce, including bar codes and Global Trade Item Numbers (GTINs) and Electronic Product Code™/Radio Frequency Identification (EPC/RFID), and continues to drive the e-commerce revolution by providing the leadership to help ensure that Canadian companies participate competitively. For more information, visit www.gs1ca.org.

University of Guelph Beef Cattle Transportation Study: Assistance of Beef Producers Requested

The Canadian Food Inspection Agency (CFIA) is currently assessing how cattle are transported in Canada with intentions of changing the laws and regulations that govern the industry. Changes proposed by CFIA may increase trucking costs for beef producers. In an effort to better understand current transportation conditions for the movement of cattle in Canada, the Ontario Cattlemen's Association is funding a University of Guelph research study to examine how current transportation conditions (space/loading densities and travel time) impact animal welfare, health, and performance for weaned calves and yearlings (500-900 lbs). The objectives of this research are to determine if current procedures for transporting cattle ensure animal welfare and how they impact health and performance after arrival. The ultimate goal of this work is to ensure animal welfare while increasing the demand for Ontario grown beef.

The help of beef producers is needed in this study to collect data on cattle loads that are received at feedlots and to follow their health for approximately 8 weeks after arrival. Surveys have been constructed to collect data from producers and truckers on the same loads of cattle during transit and following arrival. The more information that can be collected on how cattle are transported in Canada will provide CFIA with industry data that will support current trucking regulations without the need for the proposed costly changes. Please consider participating in this research study to provide valuable information on the Ontario Beef industry. If you would like to participate in this benchmark study or desire more information, please contact one of the University of Guelph researchers involved in this study by telephone or e-mail:

Matt Thrower (519- 827-1346 or e-mail mthrower@uoguelph.ca); *Ken Bateman* (519-824-4120, Ext 5-4006; kbateman@ovc.uoguelph.ca), *Ira Mandell* (519-824-4120, Ext 5-3337; imandell@uoguelph.ca), *Tina Widowski* (519-824-4120, Ext 5-2408; twidowsk@uoguelph.ca)

BIC Bits

Maple Leaf Makes It Beef

BIC works extensively with the retail and foodservice sectors across Canada to maximize demand for Canadian beef and optimize the value of Canadian beef products for the benefit of Canadian cattle producers. These efforts resulted in increased beef sales through: featuring and new beef menu items, branded beef programs at retail and foodservice, increased carcass use through new cuts, as well as maintaining consumer confidence in Canadian beef products.

The BIC retail team has recently partnered with Maple Leaf Foods Inc. to feature fully cooked microwavable Canadian beef entrees utilizing over-30-month beef. The featured products are Maple Leaf Fully Cooked Entrée's and Maple Leaf Fully Cooked Beef Strips made with 100 per cent Canadian beef. These products target today's busy consumer who wants a quick, convenient meal idea that offers all the nutritional value of a home cooked meal.

BIC partnered on a multi-layered marketing program that features more than just one mode of advertising. The campaign will consist of flyer ads, in-store point-of-sale materials and bunker (a walk around freezer) displays. The most unique part of this promotion will be the video monitors that will be used in-store with interactive digital advertising that will leverage the Canadian beef brand – the "Make it Beef" logo – and communicate the nutritional value of beef and why it is important. There will be two waves of promotion and each wave will utilize the various methods of advertising. The promotion will target three major retailers in Eastern Canada including Loblaw Companies Limited, A&P and Sobeys. The promotion will run from January through March and can be found in more than 300 locations throughout Ontario. Maple Leaf expects to see a 30 per cent lift in sales as a result of this promotion.

"This new product meets BIC objectives because there will be high impact at store level without having to discount the product. It is a convenience based product that grabs consumers attention and helps drive over-30-month beef sales," says Richard Caetano, eastern retail manager for BIC. BIC works with retailers to include more convenience-based beef products and provides cost-sharing opportunities for value-added product development to expand market penetration and reach. For more information on BIC visit www.beefinfo.org.

Monsanto 2008 Scholarship Program

Monsanto Canada has released details of its 2008 Opportunity Scholarship program for grade 12 graduating students from farm families who plan to pursue post-secondary education in agriculture or forestry.

2008 Monsanto Canada Opportunity Scholarships are available to eligible students entering their first year of post-secondary education in agricultural sciences or forestry at a recognized Canadian educational institution. In 2008, Monsanto will award approximately 50 to 60 deserving students with a \$1,500 scholarship to help pay for their studies. Entering its 17th year, the Monsanto Canada Opportunity Scholarship Program has awarded almost \$1 million to thousands of deserving students since the program's inception in 1991.

"Our scholarship program continues to grow and it is certainly one of the most rewarding programs we provide through our corporate giving program," said Trish Jordan, public affairs director with Monsanto Canada. "Every year we are impressed by the achievements and commitment of the students who apply and it is terrific to see the very best and brightest wanting to pursue careers in agriculture or forestry."

Monsanto Canada Opportunity Scholarships are available to students who meet the following criteria:

- Students must come from a family farm and/or forestry background with confirmed plans to enroll in their first year of post-secondary education in an agricultural sciences or forestry program;
- Students must have demonstrated academic excellence, leadership capabilities, and a keen interest and involvement in their rural community;
- Students must submit a completed application form, which includes an essay that outlines what area of agriculture or forestry they would like to work in and why;
- All completed application forms must be post-marked no later than May 16, 2008.
- Scholarship application forms and posters in both French and English were distributed to high schools, 4-H Clubs, provincial and federal agriculture offices, farm retail outlets and seed companies.
- Application forms are also available from Monsanto's CustomCare[®] line at 1-800-667-4944 or they can be accessed online at www.monsanto.ca.

2008 Profitable Pastures Workshops

The 2008 Profitable Pastures workshops will be held as follows:

- March 26th in Elmwood
- March 27th in Manvers Hall near Bethany
- March 28th in Almonte.

The keynote speaker for these sessions is Don Campbell from Meadow Lake, Saskatchewan, "Building a Profitable Sustainable Farm". Pre-registration is required, with a cost of just \$35. Please call 519-986-1484 or 1-877-892-8663 to pre-register. More information is available by e-mailing info@ontarioforagecouncil.com.

**The Ontario Co-operative Association invites you to a
Co-operative Development Toolkit Workshop**

- Learn more about co-ops
- Connect with local business resources
- Discover why the co-op model works

Due to February winter conditions this workshop has been rescheduled for Wednesday March 26, 2008. All of the other details remain the same: same location, the W.I.S.H Centre, Chatham and same time: 1 to 4pm. Please see the attached invitation for more information about the workshop. This workshop is FREE. However, we ask that you pre-register to allow us to adequately prepare. To register or if you have questions please call 1.888.745.5521 ext. 31 or reply to this email to indicate your attendance.

Using the following link, <http://maps.google.com/> you can type in your beginning address and then the end address: 177 King Street East, Chatham, ON to get directions to the workshop.

Tanya Gracie
Ontario Co-operative Association
tgracie@ontario.coop
1-888-745-5521 ext. 31

The On Co-op Co-operative Development roadshow/workshop is coming to a city near you. Visit www.ontario.coop/Toolkit to learn more.

Willabar Ranch Long Yearling Black Angus Bull Sale

March 18

at the ranch
Claresholm, AB
Contact: (403) 625-2060

Northern Powerpac Bull and Heifer Sale

2 p.m. Saturday, April 12, 2008
Temiskaming Livestock Exchange
New Liskeard, Ontario

Your Source For Success Bull Sale

Red/Black Simmentals & Polled Herefords
March 29, 2008 @ 2:00pm
at the farm, Indian River, ON (Just East of Peterborough)
Join us for lunch!
for more info contact Billy Elmhirst
Tel: 705-295-2708 Cell: 705-761-0896

Email: ircc@nexicom.net
website: www.indianrivercattlecompany.com

Also I am the secretary for the Ontario Simmental Association and our Annual Meeting is coming up, could it get listed also?

Cedardale Charolais 5th Annual Bull Sale

The Nesbitt Family

Saturday, April 19th, 2008

Offering 20 Purebred Charolais Yearling Bulls
and 15 Elite Open Heifers

Open House 11 am, Sale 1 pm at the farm
Nestleton, ON

Contact: (905) 986-4608 for more information or a sale catalogue
or visit our website @ www.cedardalefarms.ca

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- B) COLUMN: U.S. meat recall poses CANADIAN dilemmas**
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- D) WASHINGTON: U.S. official defends meat inspections**
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- M) US: Telling the true story of beef production**
- N) JBS Agrees to Buy National and Smithfield Beef**

This report prepared with the assistance of Dr. Doug Powell's team at the Universities of Guelph and Kansas State. This service does not allow emails to be sent by responding to this email directly. If you have questions or comments, please contact Lianne Appleby at lianne@cattle.guelph.on.ca

A) CALIFORNIA: Raw-milk law enforced for 1st time

06.mar.08

Mercury News

Barbara Feder Ostrov

http://www.mercurynews.com/ci_8472500?nclink_check=1

When California's raw milk dairies learned about new legislation tightening safety standards for their unpasteurized milk and cream, they - alongside passionate raw milk devotees - bitterly lobbied against mandates they believed would destroy their business.

Now, according to this story, their fears are starting to be realized.

The story says that State agriculture officials have temporarily banned the sale of raw cream from the Organic Pastures dairy in Fresno, citing bacteria levels of up to 150 times the legal limit. They also have warned a Watsonville dairy, Claravale Farm, that it faces a similar ban if its raw skim milk or raw cream fails another inspection.

The ban marks the state's first enforcement of the controversial raw milk law that took effect Jan. 1. And it could reignite last year's fierce political and legal battles over its requirement that raw milk meet the same safety standards as pasteurized milk.

Mark McAfee, Organic Pastures' founder and owner, along with Claravale Farm, is suing to overturn the law. He says the action will help propel his lawsuit through the courts now that he is facing economic losses.

McAfee was quoted as saying, "I was actually looking forward to this day. We're losing \$10,000 a week on cream we can't sell."

The sales ban on Organic Pastures' raw cream will last until two new cream samples tested within the same week meet state standards. McAfee said those tests were conducted on Sunday and Monday and that he's expecting results soon.

The cream that could not be sold is being made into butter to be sold at stores like Whole Foods, which carries Organic Pastures products, McAfee said.

The story explains that under the new state law, to avoid a sales ban raw milk dairies must pass three of every five inspections of samples of their milk products, including whole milk, skim milk, cream and colostrum, a type of milk produced by cows for newborn calves.

Before Jan. 1, raw milk was tested for dangerous bacteria such as salmonella, but dairies were not required to provide counts of other classes of bacteria.

The story notes that from 1998 to 2005, raw milk and cheese were implicated in 39 disease outbreaks nationwide that sickened 831 adults and children, hospitalized 66 and killed one, according to the U.S. Centers for Disease Control.

Mark Barbieri, manager of the Whole Foods supermarket in Campbell, was cited as saying the temporary ban on Organic Pastures cream would not scare him away from his raw milk habit. California's new raw milk safety standards allow no more than 10 coliform bacteria per milliliter, the same requirement for pasteurized milk.

Coliform bacteria include those that aid digestion as well as those that cause disease. Dairy scientist John Bruhn, professor emeritus at the University of California-Davis' Department of Food Science and Technology, was cited as saying their presence is not necessarily a predictor of food-borne illness, but high levels can indicate a sanitation problem.

In one raw cream sample taken from Organic Pastures on Feb. 6, the overall bacteria count was 250,000 per gram, with coliform bacteria numbering 1,500 per gram - which Bruhn suggested could indicate a sanitation problem at the dairy. Milk destined for pasteurization, he said, should have less than 50,000 total bacteria per milliliter or gram.

In 2006, five children were infected with E. coli bacteria linked to Organic Pastures' raw milk. Some suffered bloody diarrhea; others, kidney failure. The dairy is now facing lawsuits from two families affected by the outbreak.

The dairy's raw cream was recalled in September 2007 after listeria was found in a sample, although no illnesses were reported. Then, in November and December, state public health officials investigated reports of a campylobacter bacterial outbreak that sickened five people who drank Organic Pastures raw milk.

State epidemiologist Dr. Gil Chavez was quoted as saying, "The link appears suspicious, but it's just not something we can prove. Our message still is that consuming raw milk carries a risk."

McAfee was quoted as saying, "I invite (the agriculture department) to keep on sticking me in the ribs because it keeps increasing our sales. It stirs up the grass roots."

B) COLUMN: U.S. meat recall poses CANADIAN dilemmas

20.feb.08

Ontario Farmer

Jim Romahn

Pity poor Agriculture Minister Gerry Ritz and his political and Canadian Food Inspection Agency minions trying to fashion a reasonable response to the shocking discovery of abuses at the Westland/Hallmark Meat Co. of Chino, California.

The animal welfare abuses were video-taped by people who turned the evidence over to the U.S. Humane Society. Nobody from the company, the government or the industry has questioned the reliability of these videos.

More worrisome by far is the U.S. Department of Agriculture admission that these "downer" cows did not undergo testing for Bovine Spongiform Encephalopathy (BSE, or mad cow's disease). On that basis, the U.S.D.A. prompted the company to issue a voluntary recall of 65 million kilograms of beef processed during the last two years.

The dilemmas this presents for Ritz and his minions is whether to act on the basis of protecting Canadian consumers or stifling any criticisms or actions which might upset the cross-border trading situation.

In principle, Ritz and the Canadian Food Inspection Agency do not have the option of screening out beef from this single packing plant.

The international agreement is to accept each other's government standards and inspection services. From time to time, auditors have identified shortcomings and have temporarily suspended imports from that plant until it's back in full compliance.

But the situation at this plant is several orders of magnitude greater. The animal abuses are horrifying to any farmer, let alone the general beef-consuming public.

How could this happen at a plant under U.S.D.A. inspection? How could it not only happen, but also prompt a recall stretching back two years?

Second, this plant willfully and flagrantly violated the clear rules about BSE testing for all downers. How could this happen at a plant under U.S.D.A. inspection? How could it persist for two years, a time when the U.S. government was imposing a draconian ban on all Canadian cattle and beef because the Canadian Food Inspection Agency was vigilant, did identity and test a cow in Alberta and did confirm in May, 2004, that she died of BSE.

So, if Gerry Ritz wimps out on this one, he might be seen by the industry as working hard to retain precarious trade relationships with a prickly customer.

But the truth is he ought to be loudly condemning not only Westland/Hallmark, but also the entire U.S.D.A. meat inspection system. They have cheated the Canadian public.

The truth is he should be displaying great concern about the safety of the beef in our supermarket counters and on our restaurant plates, concern that it might be coming from animals that have been horribly abused, but also from downers who have not been detected and screened for BSE.

And the underlying truth is that Ritz and the Canadian Food Inspection Agency need to make a tough choice. Do they want to continue to coddle the beef industry in the mistaken belief that "going soft" on issues protects their incomes, or do they want to act in the public interest to fully and fairly enforce animal welfare and food safety standards? All the time.

The sad track record is far too many instances of attitudes towards public health and safety and animal welfare that have been negligent at best, or just plain cavalier.

It's nice to see Ritz and his minions on the hot seat.

But it will only be hot if the Canadian public insists on accountability.

C) WASHINGTON: How 'downer' cows enter food chain

01.mar.08

Chicago Tribune

Stephen J. Hedges

<http://www.chicagotribune.com/news/nationworld/chi-sick-cows-030208-cows-sick-usda,1,4384254.story>

WASHINGTON -- The videotape of crippled "downer" cows being mistreated at a California plant has, according to this story, focused new light on a practice that some animal welfare and food safety experts say is an old problem: the use in beef production of dairy cows that are spent and barely able to stand due to calcium depletion from being milked intensively for years.

Keith Mohler, a Humane Society officer in Pennsylvania who has led prosecutions in farm animal mistreatment cases, was quoted as saying, "Now that the public has seen this Humane Society footage, it's horrific but it's not exceptional. It's great that it was brought out, but it's not uncommon." The Humane Society of the United States was cited as saying dairy cows that are done giving milk make up about 17 percent of America's annual beef slaughter.

Prices for "culled" dairy cows can be half to about a tenth of the price of a fully fed steer in the beef market. The reason for the discount is that some dairy cows go to slaughter plants in rough shape. Typically, they have often been milked for several years, leaving their bodies without the muscle, fat

and calcium of grazing, well-fed beef cattle. Some dairy cows appear emaciated when they are sold to slaughter plants, their hides stretched tight over their hindquarters and ribs.

The story says that dairy cows can also carry some common maladies, including mastitis, a bacterial infection of the udder; foot rot, which they can develop from standing for long periods in manure, mud and damp straw; and Johne's disease, a wasting illness.

Scientists believe these diseases are not carried into the human food chain, with one possible exception: Health and animal scientists are currently debating whether the traits of Johne's are responsible for Crohn's disease in humans. Crohn's disease is an intestinal disorder that can cause inflammation of the colon, severe abdominal pain, diarrhea and weight loss.

Michael Collins of the University of Wisconsin School of Veterinary Medicine, an expert on Johne's disease, was quoted as saying, "Farmers are obviously not culling dairy cows just because they aren't making a lot of milk. Almost by definition, there's something wrong with them, and in some cases those can be infections that present issues for humans."

Some dairy farmers say having lean and skinny dairy cows isn't unusual, because the cows are bred to use their energy to produce milk, not store fat and build muscle like beef cattle. And they dispute the notion that unhealthy cows are being sold for meat.

Linnea Kooistra, who with her husband, Joel, runs a Woodstock, Ill., dairy farm of 250 cows, was cited as saying animal care is a constant concern, and that a veterinarian visits weekly to check on the cows, and a nutritionist visits once a month to monitor the herd's diet. A cow hoof trimmer even comes regularly to give bovine pedicures. Kooistra said she finds it hard to believe that dairy farmers would neglect cows headed for market.

Kooistra, a third-generation dairy farmer, was quoted as saying, "You don't get into a business like this unless you care about animals. If it's the middle of the night and a cow is having a calf, you're out there. We care about animals. It's what we do."

A quarter of her herd is sent to the beef market each year, she said, to make way for cows producing more milk.

David Wolfgang, a veterinarian at Pennsylvania State University's Department of Agricultural Sciences, was cited as saying the Chino video has put the meat and dairy industry on notice, and that while he said the practices at the plant are not common, there have been cases where animal treatment was an issue.

D) WASHINGTON: U.S. official defends meat inspections

29.feb.08

Los Angeles Times

Nicole Gaouette

<http://www.latimes.com/news/nationworld/nation/la-na-beef29feb29,1,2821800.story?ctrack=2&cset=true>

WASHINGTON--Agriculture Secretary Edward T. Schafer sparred with Senate lawmakers Thursday, insisting that regulations governing inspections of slaughterhouses are sufficient to ensure the safety of the nation's meat supply.

Schafer rejected senators' calls to completely ban from slaughter any cattle unable to walk. "Downer" cows are at higher risk of carrying E. coli and salmonella bacteria and of having the wasting neurological illness known as mad cow disease.

The standoff came at a Senate subcommittee hearing triggered by practices at Westland/Hallmark Meat Co. of Chino that led to the largest meat recall in U.S. history. Undercover video shot by the Humane Society of the United States showed downer cows being forced to slaughter by workers who poked them with electric prods or rolled them with forklifts.

USDA officials and sympathetic lawmakers said repeatedly that there was no public health threat related to the massive recall, while other senators stressed that there is no way of knowing.

"We believe that the food supply is safe," Schafer said.

"Listen, Mr. Secretary," said Sen. Tom Harkin (D-Iowa), cutting him off, "the fact is that we don't know if the animals portrayed in this video were sick or not. Unless you can inform me differently, the fact is we don't know. . . . We're faced with the possibility that people could become sick."

Despite the presence of five on-site federal inspectors, Westlake/Hallmark violated regulations meant to prevent downer cattle from entering the food chain. Two workers now face abuse charges.

The video was released Jan. 30, and the plant suspended operations Feb. 4. The recall was announced Feb. 17.

Much of Thursday's debate centered on an exception to USDA regulations that allows some downer cows to be slaughtered.

E) IDAHO: WSU prof says downer cattle need inspection

05.mar.08

KLEWTV.com

Matt Loveless

<http://www.klewtv.com/news/health/16238352.html>

Pullman -- Much of the more than 143 millions pounds of recently recalled beef is, according to this story, now incinerated or in a landfill somewhere. The month-long scare, however, still has some thinking about the long-term effects of potentially bad beef.

WSU Associate Professor of Epidemiology John Gay was cited as saying people need to recognize the rarity of mad cow disease, and the big difference between mad cow, and downer cattle beef.

"The likely reason that these cows went down is probably more related to accidental reasons than infectious disease causes, because they had to go through the sales process," Gay was quoted as saying, adding, "They've gone, usually to a sales yard; they've been bought, purchased there, and transported to the slaughter plant."

Gay was cited as saying Tuesday a disease like mad cow is very slow to develop, and even if you had contracted it in the last year, you likely wouldn't feel its effects for a long time. He said if a cow has a broken leg on the other hand, there would be no immediate health risks associated with the meat from that animal, but after a long enough time, problems can arise.

As for the recalled meat, Gay was cited as saying they can't be sure whether there was contamination of some sort, but it's always best to err on the side of caution, adding, "If an animal's down, I want to know why it's down. If it has fractured its leg or something and it's just immediate, I wouldn't have a problem consuming it. If it's been a longer period of time, I'd want to know why it's down, and I'd want the inspector to inspect it to see that it's fit for human consumption."

F) U.S: Tracing beef supply is hurdle for U.S.

05.mar.08

Wall Street Journal

Jane Zhang

<http://online.wsj.com/article/SB120469258348613067.html>

WASHINGTON -- The U.S. Agriculture Department isn't, according to this story, sure how many schools have been affected by the largest meat recall in the nation, and about 10% of the recalled beef still hasn't been tracked down, an official told the House Education Committee.

While the department has worked with other agencies and groups on the recall, it has faced several challenges to track down the more than 50 million pounds of beef supplied to the National School Lunch Program from Hallmark/Westland Meat Packing Co. in Chino, Calif., Kate J. Houston, deputy undersecretary at USDA's Food, Nutrition and Consumer Services was cited as saying. More schools may have bought beef from Hallmark/Westland commercially.

In addition, the distribution system for the school lunch program makes it hard to trace products. About 60% of the meat was processed to make meat balls, hamburger patties and other value-added products, and that meat was often mixed with other products. Distributors and state warehouses classified meat by product type, such as beef taco meat, not by manufacturer.

Ms. Houston was further cited as saying the recall has affected nutrition assistance programs in 45 states and the District of Columbia, and that the USDA didn't know the total number of affected schools.

"A recall such as the Westland case contributes to the public's perception that school food is inferior and of lower quality." Penny Parham, administrative director of food and nutrition at the Miami-Dade County Public Schools in Miami, was quoted as saying.

The USDA bought from Hallmark/Westland about 20% of the ground beef and beef products for federal nutrition assistance programs that serve children, the elderly, the poor and the homeless.

The school lunch and breakfast programs are the two largest nutrition assistance programs among the 15 programs. More than 101,000 schools and institutions participate in the school lunch program and about 84,000 in the school breakfast program, feeding about 31 million school children each school day.

G) TEXAS: Some Canadian cows can't enter Mexico through Texas, ag boss says

05.mar.08

Associated Press

<http://www.chron.com/disp/story.mpl/ap/tx/5591881.html>

AUSTIN — The Texas agriculture commissioner on Tuesday prohibited certain Canadian cattle from crossing into Mexico through state facilities after, according to this story, learning that the U.S. had not approved allowing trade of some animals.

Reports first indicated the U.S. had signed off on an agreement between Canada and Mexico that permitted trading of specific dairy and beef cattle under 30 months old — including breeding stock. But Todd Staples, the state's ag commissioner, learned that U.S. Department of Agriculture officials had not approved the deal.

Currently, Mexico only allows U.S. dairy heifers under the age of 24 months to be imported, despite in-depth international negotiations to broaden this to breeding stock.

The trading agreement, Staples was cited as saying in a statement, is not consistent with international standards set by the World Organisation of Animal Health.

If the USDA permits the cattle to cross into this country from Mexico, they won't come through any of Texas' livestock export facilities along the border, according to the statement. The export sites are in Brownsville, Del Rio, Eagle Pass, El Paso and Laredo. There are also two privately owned operations in Texas.

"I have instructed TDA employees overseeing the agency's livestock export facilities along the Mexican border to not facilitate the trade of any Canadian cattle that would be inconsistent with the protocol for exporting U.S. cattle to Mexico," Staples was quoted as saying.

Staples is asking states that border Mexico to follow Texas' lead. New Mexico and Arizona have three export facilities between them.

"Please remember your most important customers — the U.S. livestock producers," Staples was quoted as saying, adding, "Until Mexico recognizes (the animal health group's) trading standards and begins to accept U.S. breeding cattle consistent with those standards, we will continue this firm prohibition of specific Canadian cattle."

H) JBS S.A. buys Smithfield beef group, Australia's Tasman Group

05.mar.08

Meatingplace.com/The New York Times

JBS S.A. has, according to these stories signed definitive agreements to purchase Smithfield Beef Group, Inc. for \$565.0 million in cash and Australia's Tasman Group for \$150 million in cash.

Tasman operates six plants, three in Victoria and three in Tasmania.

The purchases come within 24 hours of JBS announcing it purchased National Beef Packing Co. for \$465 million in cash, \$95 million in stock and debt assumption.

That values the total cash and stock portion of the three purchases at around \$1.3 billion.

Smithfield Foods said the Smithfield Beef sale to JBS will include 100 percent of Five Rivers Ranch Cattle Feeding LLC, which is currently held by Smithfield Beef in a 50/50 joint venture with Continental Grain Company. Smithfield Foods and CGC have agreed that, immediately before closing of the JBS transaction, Smithfield Beef will acquire from CGC the 50 percent of Five Rivers that it does not presently own in return for 2.167 million shares of Smithfield common stock.

The purchase prices for JBS's purchase of Smithfield Beef, and Smithfield Beef's purchase of the 50 percent interest in Five Rivers, are subject to customary adjustments, including adjustments for differences in working capital at closing from agreed-upon targets.

Smithfield Beef processes approximately 1.5 billion pounds of fresh beef annually. Its processing capacity is 7,600 cattle per day. Five Rivers is the largest cattle feedlot operation in the U.S. with a one-time feeding capacity of 811,000 head of cattle.

"JBS's purchase of U.S. beef assets is a positive," Farha Aslam, an analyst with Stephens Inc. in New York, was quoted as saying, "The U.S. industry needs to rationalize capacity given the lack of growth in the U.S. cattle herd."

The Smithfield Beef Group, based in Green Bay, Wis., is the fifth-largest beef processor in the United States, with the capacity to slaughter 8,000 head a day, the company said on its Web site. The beef unit had sales of \$2.6 billion in fiscal 2007, accounting for about 20 percent of the total for its parent company, based in Smithfield, Va.

National Beef, based in Kansas City, has operations in California, Pennsylvania and Georgia. It had sales of \$5.6 billion and processed 3.9 million head of cattle in the 2007 fiscal year, according to a company filing with the U.S. Securities and Exchange Commission on Tuesday.

I) UK: Calves withdrawn over cloning row

05.mar.08

BBC News-Uk

http://news.bbc.co.uk/2/hi/uk_news/england/bristol/somerset/7279010.stm

A commercial breeder withdrew the offspring of a cloned cow from auction because he feared negative publicity, a Bristol auctioneer has said.

This story, says that Smiddiehill Holsteins hoped to sell Dundee Paradise and Dundee Paratrooper - whose mother was the clone of a prize-winning Holstein cow.

It has now been decided to sell the pair privately.

A spokesman for the auctioneers said adverse media coverage for the sale at Easter Compton had upset the owners.

David Bostock, of Smiddiehill Holsteins, in Shropshire, confirmed the cattle had been withdrawn from the auction but declined to comment further.

Campaign groups including Compassion in World Farming (CIWF) expressed concern over the proposed sale.

Peter Stevenson, chief policy adviser for CIWF, was quoted as saying "The sale of the offspring of a cloned cow will bring cloning out of the laboratory and on to the farm," adding, "Before long, we will see meat and milk from the offspring of cloned animals on the supermarket shelf.

J) UK: DEFRA announces bluetongue vaccine costs

05.mar.08

Farmers Weekly Interactive

<http://www.fwi.co.uk/Articles/2008/03/05/109706/defra-announces-bluetongue-vaccine-costs.html>

Farmers wishing to vaccinate stock against bluetongue can, according to this story, now budget on the cost after DEFRA published details on prices on Wednesday (5 March).

The vaccine will be available in 50ml and 20ml bottles, and will be available through private veterinarians via veterinary wholesalers.

Click Here

The wholesale "list" price will be £22.02 for the 50ml bottles and £13.10 for the 20ml bottles.

The final on-farm price is likely to be around £27.50-£33.00 for the 50ml bottles (55-66p per ml) and around £16.35-£19.65 for the 20ml bottles (82-98p per ml) plus VAT, to cover the overhead, handling and administration charges throughout the distribution process.

K) NEW ZEALAND: Warning to beware of bovine Tb

02.mar.08

The Gisborne Herald

<http://www.gisborneherald.co.nz/Default.aspx?s=3&s1=2&id=52e590e67a994220bc7afdefd883a2f5>

Farmers in the district who are in the position to offer grazing for stock from drought stricken regions need to beware, Regional Animal Health Committee chairman Hamish Cave was cited as saying.

With the Gisborne East Coast district free of bovine Tb, anyone bringing in stock needed to be vigilant to prevent the spread of the disease.

Before buying or bringing on grazers farmers should check the following --

- The Animal Status Declaration card. Is it completed correctly -- signed by the vendor and have a herd number?
- The Tb status of the cattle you are about to buy or bring on to your property. Are they from a movement control area. If so have they been Tb tested within the past 60 days?
- Are the cattle correctly tagged? They must have primary and secondary tags otherwise no sale.

L) CALIFORNIA: 2 inspectors on leave over beef recall

01.mar.08

USA Today, Associated Press

Gillian Flaccus

http://www.usatoday.com/news/nation/2008-02-29-meat-suspensions_N.htm

LOS ANGELES-- The U.S. Department of Agriculture has, according to this story, suspended at least two federal meat inspectors following the largest beef recall in the nation's history, a union head said Friday.

Stan Painter, chairman of the National Joint Council of Food Inspection Locals, was cited as saying the USDA confirmed it has placed a veterinarian and a floor inspector from Westland/Hallmark Meat Co. on paid administrative leave.

A USDA spokeswoman said the agency could not comment on the investigation or on personnel matters.

Painter said a local union representative told him earlier Friday that a third inspector was also placed on leave, but he could not confirm it with the agency.

"Apparently, they found enough evidence to suspend those people," Painter was quoted as saying, adding, "When I asked them why exactly, they said, 'I don't know.' I don't know if I buy that."

M) US: Telling the true story of beef production

27.feb.08

California Farm Bureau Federation

Jim Maxey

<http://www.cfbf.com/agalert/AgAlertStory.cfm?ID=991&ck=692F93BE8C7A41525C0BAF2076AECFB4>

Maxey a beef processor with operations based in Fresno and the current chairman of the California Beef Council writes in this commentary that on Feb. 17 the U.S. Department of Agriculture Food Safety and Inspection Service (FSIS) announced Hallmark/Westland Meat Packing Co., a Chino establishment, is voluntarily recalling approximately 143 million pounds of beef products produced since February 2006 because evidence shows they were produced in non-compliance with FSIS regulations.

This beef recall is the largest in industry history. It is important for consumers to understand the nature of the recall and its designation as Class II. The possibility of adverse health effects from consuming beef included within the recall is extremely remote. The recall was issued in an abundance of caution and only as a precautionary measure.

Consumers deserve the safest food possible and all segments of the beef industry take that commitment seriously. The California Beef Council supports efforts to ensure that animals are harvested under humane conditions and all food safety regulations are followed.

Maxey goes on to say that the ban on non-ambulatory or "downer" cattle is one of many interlocking safety procedures designed to ensure that the U.S. beef supply is the safest in the world. The system is designed so that if there is a failure in one step, other interlocking safeguards are in place to ensure public health. From stringent feeding guidelines to safety interventions at the processing level, there are multiple safety hurdles in the beef production chain. Even though bovine spongiform encephalopathy (BSE) is virtually non-existent in the U.S. cattle population, the government and beef industry have taken steps necessary to make sure we produce beef in a way to ensure the disease never enters the food chain.

As an organization committed to the betterment of the beef industry, we are supportive of actions to address violations of humane animal handling regulations, as well as established beef safety inspection procedures. The California Beef Council's members and staff are extremely concerned

by the inhumane treatment of animals that was demonstrated in the video footage that prompted this recall. Our members represent all segments of the California beef industry, and it is important for the public to understand that this situation is an isolated incident, and something that our industry wholeheartedly disapproves and will not condone.

N) JBS Agrees to Buy National and Smithfield Beef

JBS SA, already the world's largest beef packer, agrees to acquire National Beef Packing and the Smithfield Beef Group, the fourth and fifth largest U.S. beef processors. It also agrees to buy Five Rivers Ranch Cattle Feeding, the world's largest cattle feeding company, and the Tasman Group, Australia's largest multi-species meat processor. CBW understands the four acquisitions, including cash, stock and debt assumption, will total \$1.7 billion. JBS's proposed acquisition of National Beef was announced Tuesday afternoon. JBS is set to announce the Smithfield and other deals early Wednesday morning U.S. time, or at

9 AM local time in Sao Paulo, Brazil, where JBS is headquartered. The U.S. acquisitions will have to receive approval from the Justice Department. So it is unclear when the deals will be completed. Barring objections from Justice or any requirements to divest any plants, JBS will then have capacity in 12 U.S. plants to slaughter 42,500 cattle per day. This would put it well ahead of Cargill Meat Solutions at 29,000 head and Tyson Foods at 28,300 head.

Speculation has swirled for weeks about changes of ownership involving National Beef and Smithfield Beef. But the sheer audacity of JBS acquiring both companies and announcing them almost simultaneously is breath-taking, say observers. JBS was largely unknown and therefore under-rated by the U.S. industry when it acquired Swift and Company in July 2007. People remained skeptical of JBS as it set out to rejuvenate Swift's beef business, in part by attempting to maximize plant capacity. Now it is acquiring the two beef companies below it that have both been successful in recent years in different ways. Its timing could not be better, say observers. The weak U.S. dollar versus the strong Brazilian real makes the acquisitions more financially attractive. U.S. beef processors have struggled to make money since 2004 so they are not worth as much as they were before that year. JBS also has a unique vision of putting together a truly global red meat business at a time when worldwide demand for meat is increasing. It will be in a powerful position to take advantage of that demand. Upon completion of the National, Smithfield and Tasman deals, JBS will have a global capacity to process nearly 80,000 cattle per day in Brazil, Argentina, the U.S., Australia and Italy.

JBS agreed to acquire all of the outstanding membership interests of National Beef, based in Kansas City, Mo. It will pay the members about \$465M in cash and \$95M in JBS stock. It will assume another \$425M in long-term debt. So the total deal is worth about \$985M. Majority owner of National Beef is U.S. Premium Beef.

Its members will receive \$261M in cash and \$65M in JBS stock. Its 450 unit-holders will receive \$286 per share (compared to the original share price in 1997 of \$55) and another 50M in patronage payments. This will be a good reward for the people who took on the risk of supporting USPB and believed in the integrated beef system that was created with National Beef, says USPB CEO Steve Hunt. The deal is a tremendous opportunity for USPB members to be part of a leading multi-national food company, he says. Yet the founding objectives of USPB will remain intact, which include guaranteed plant access for market-ready cattle, a value-based marketing system that transfers back carcass data, and continued ownership in a packer. USPB will retain \$65M of JBS/National stock. It began in 1997 with just \$75M on National stock. National president Tim Klein will become president and COO of the joint National/JBS beef operations.

JBS will pay \$565M to acquire Smithfield Beef and Five Rivers. CBW understands that JBS valued Smithfield, owned by Smithfield Foods, at \$465M and Five Rivers, owned jointly by Smithfield and the ContiGroup Companies, at \$100M. It became increasingly clear in recent months that Smithfield would either grow its beef business or sell it, say observers. Smithfield Foods might see a boost in its share price if investors believe that it will be better off as a pure pork company, say analysts. Smithfield's beef business has been profitable in recent years, in part because of its non-dependence on native fed cattle and the commodity beef business. It is a pioneer in the production of calf-fed Holstein beef and in the production of high quality cow beef. Smithfield merged its cattle feeding business with that of ContiGroup's in May 2005. Five Rivers has 10

feedlots with a one-time capacity of 811,000 head. It markets about 1.6M cattle annually. Smithfield was not able to integrate this feeding business with its own plants, another reason why it has decided to sell the beef business.

Five Rivers will give JBS's Swift and National plant in Nebraska, Colorado, Kansas and Texas the opportunity to source cattle from company-owned feedlots.

But Five Rivers' annual marketings will still total only 14.5% of all the cattle that a combined JBS/National/Smithfield might kill annually.

JBS also agrees to acquire the Tasman Group in Australia for \$148M. The company processes 2M lambs and sheep and 0.6M calves and cattle annually and has annual sales of about \$420M. It operates three plants in Tasmania and three in Victoria, all export-accredited to 50 countries. It also operates a feedlot licensed for 25,000 cattle and 45,000 lambs. Tasman handled nearly 6% of the total Australian red meat processed in fiscal 2007. The plants have a combined daily capacity of 2700 beef cattle and 16,500 small stock (sheep, lambs, veal, hogs).

CBW will report in greater detail on JBS's acquisitions in its March 10, 2008 issue.



Got News?

If you would like to post your cattle industry news or event, send your information by Thursday at 4pm to lianne@cattle.guelph.on.ca or submit through the OCA Web site: <http://www.cattle.guelph.on.ca/calendar/calendar.asp>.

OCA will accommodate all requests within reason to the In Brief section of our update.
NO PRODUCT ADVERTISEMENTS WILL BE ENDORSED.

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